

Recipe Unlimited reports 2022 first quarter results

VAUGHAN, ON, May 4, 2022 /CNW/ - Recipe Unlimited Corporation reported financial results today for the 13 weeks ended March 27, 2022.

- **Total System Sales⁽¹⁾ increased 34.2% to \$721.4 million for the quarter**
- **61.2% of operating weeks impacted by government mandated restrictions or closures in the quarter**
- **E-Commerce System Sales⁽¹⁾ increased 13.3% to \$169.8 million in Q1 2022**
- **Same Restaurant Sales Growth⁽¹⁾ of 38.8%**
- **Operating Income increased to \$24.5 million from \$10.5 million in Q1 2021 and Adjusted EBITDA⁽²⁾ increased 36.3% to \$32.7 million from Q1 2021**
- **Named as a Top 50 Best Workplaces™ in Canada by Great Place to Work®**

(1) This is a supplementary financial measure. Please refer to "Non-GAAP Measures - Supplementary Financial Measures" section of this press release for a definition of this measure.

(2) This is a non-GAAP financial measure. Please refer to the "Non-GAAP Measures - Non-GAAP Financial Measures" section of this press release for a definition of this measure.

"I am proud of the resilience of our franchise partners and all of our front line teammates, who once again did a remarkable job managing through a difficult environment. The Omicron variant forced the closure of dining rooms and reduced capacity for 61% of our Operating weeks in Q1. Despite these restrictions, System Sales increased 34% as our teams welcomed Guests back to our restaurants with strong sales in March as restrictions eased.

Recipe is emerging from the pandemic with a strong balance sheet. We are confident in our ability to manage through the macro environment, while still delivering a great experience and value for our Guests. Our immediate growth plans call for 30 new restaurants in 2022, with plans for renovations at an additional 40 locations. To support our growth plans, we recently renewed and extended our \$550 million revolving term credit facility on terms that are substantially unchanged from our credit facility pre-pandemic.

To win in this environment takes a great team that is engaged. Recipe is proud to be named as a Top 50 Best Workplaces™ in Canada, as voted on by our teammates."

- Frank Hennessey, CEO

Highlights for the 13 weeks ended March 27, 2022:

- Total System Sales⁽¹⁾ for the 13 weeks ended March 27, 2022 was \$721.4 million, compared to \$537.6 million in 2021, representing an increase from 2021 of 34.2%. The increase from 2021 was largely driven by fewer complete and partial dining room closures, which affected 61.2% of operating weeks during the first quarter of 2022 compared to 88.7% in the same quarter last year.
- Gross revenue for the 13 weeks ended March 27, 2022 was \$272.6 million, compared to \$194.1 million in 2021, representing an increase from 2021 of 40.4% driven by significantly higher System Sales⁽¹⁾ in both our corporate and franchise segments.
- E-Commerce System Sales⁽¹⁾ for the 13 weeks ended March 27, 2022 was \$169.8 million, compared to \$149.8 million in 2021, representing an increase from 2021 of 13.3%. Consumer demand through e-commerce channels remained strong even as dining room restrictions returned in the first quarter of 2022.
- Sales for Retail and Catering for the 13 weeks ended March 27, 2022 was \$90.5 million compared to \$87.6 million in 2021, representing an increase from 2021 of 3.3%. The increase was driven by increased sales to retail grocery customers and modest sales recovery of the catering segment in the first quarter of 2022.
- Same Restaurant Sales ("SRS") Growth⁽¹⁾ for the 13 weeks ended March 27, 2022 was an increase of 38.8% compared to 2021. Contributing factors to our SRS Growth⁽¹⁾ include fewer dining restrictions, consumers returning to pre-pandemic behaviors and increased E-Commerce System Sales⁽¹⁾.
- Operating Income for the 13 weeks ended March 27, 2022 was \$24.5 million compared to \$10.5 million in 2021, an increase of \$14.0 million for the quarter. Adjusted EBITDA⁽²⁾ for the 13 weeks ended March 27, 2022 was \$32.7 million compared to \$24.0 million in 2021, an increase of \$8.7 million. The Operating Income and Adjusted EBITDA⁽²⁾ increases were driven by increased System Sales⁽¹⁾, partially offset by a

decrease in government subsidies and an increase in food costs.

- Cash flows from operating activities for the 13 weeks ended March 27, 2022 was \$5.3 million, compared to \$21.4 million in 2021, representing a decrease of \$16.1 million. The decrease is primarily related to a higher investment in working capital, notably in raw materials inventory used in Recipe's food processing divisions, partially offset by higher Adjusted EBITDA⁽²⁾.
- Free Cash Flow⁽²⁾ for the 13 weeks ended March 27, 2022 was \$(20.0) million, compared to \$(6.4) million in 2021 representing a decrease of \$13.6 million mainly due to the decrease in cash flows from operating activities.
- Net earnings for the 13 weeks ended March 27, 2022 were \$21.1 million, compared to net earnings of \$13.0 million in 2021, representing an increase of \$8.1 million for the quarter. The increase was primarily driven by an increase in Operating Income partially offset by a net increase in current and deferred taxes.
- Basic EPS for the 13 weeks ended March 27, 2022 was \$0.36 compared to \$0.23 in 2021, representing an increase of \$0.13. Diluted EPS for the 13 weeks ended March 27, 2022 was \$0.36 compared to \$0.22 in 2021, representing an increase of \$0.14.
- The Company continues to execute its restaurant network improvement strategy plan, which included the planned closures of restaurants that no longer fit its long-term strategic plan and the addition of new locations with high growth potential. For the 13 weeks ended March 27, 2022, the Company successfully added 2 franchised locations and exited 12 restaurants.

(1) This is a supplementary financial measure. Please refer to "Non-GAAP Measures - Supplementary Financial Measures" section of this press release for a definition of this measure.

(2) This is a non-GAAP financial measure. Please refer to the "Non-GAAP Measures - Non-GAAP Financial Measures" section of this press release for a definition of this measure.

Financial Summary

(C\$ millions unless otherwise stated)	For the 13 weeks ended	
	March 27, 2022	March 28, 2021
	(unaudited)	(unaudited)
Total System Sales ⁽¹⁾⁽²⁾	\$ 721.4	\$ 537.6
System Sales Growth ⁽¹⁾⁽²⁾	34.2 %	(28.1) %
SRS Growth ⁽¹⁾⁽²⁾⁽⁵⁾	38.8 %	n/a
Total gross revenue	\$ 272.6	\$ 194.1
Total number of restaurants (at period end)	1,251	1,330
Operating Income	\$ 24.5	\$ 10.5
Adjusted EBITDA ⁽³⁾	\$ 32.7	\$ 24.0
Adjusted EBITDA Margin on System Sales ⁽⁴⁾		
Corporate restaurant sales.	\$ 141.2	\$ 79.6
Number of corporate restaurants (at period end)	221	215
Operating Income from Corporate segment	\$ 15.6	\$ 3.9
Operating Income as a % of corporate sales	11.1 %	4.8 %
Franchise restaurant System Sales	\$ 489.8	\$ 367.0
Number of franchised & JV restaurants (at period end)	1,030	1,115
Operating Income from Franchise segment	\$ 22.9	\$ 16.0
Operating Income as a % of Franchise sales	4.7 %	4.4 %
Retail and Catering sales	\$ 90.5	\$ 87.6
Operating Income from Retail and Catering	\$ 5.0	\$ 8.0
Operating Income as a % of Retail & Catering sales	5.5 %	9.1 %
Adjusted EBITDA ⁽³⁾ from Central segment	\$ (10.8)	\$ (3.9)
Cash flows from operations	\$ 5.3	\$ 21.4
Free Cash Flow ⁽³⁾	\$ (20.0)	\$ (6.4)

Earnings before income taxes	\$	26.6	\$	13.8
Net earnings	\$	21.1	\$	13.0
Basic EPS (in dollars)	\$	0.36	\$	0.23
Diluted EPS (in dollars)	\$	0.36	\$	0.22

- (1) Results from New York Fries located outside of Canada, East Side Mario's restaurants in the United States, and Casey's restaurants are excluded from System Sales Growth.
- (2) This is a supplementary financial measure. Please refer to "Non-GAAP Measures - Supplementary Financial Measures" section of this press release for a definition of this measure.
- (3) This is a non-GAAP financial measure. Please refer to the "Non-GAAP Measures - Non-GAAP Financial Measures" section of this press release for a definition of this measure.
- (4) This is a non-GAAP ratio. Please refer to the "Non-GAAP Measures - Non-GAAP Ratios" section of this press release for a definition of this measure.
- (5) SRS Growth was reintroduced as a non-GAAP financial measure in Q1 2022.

Outlook

The restaurant and food services industry continues to experience disruptions as a result of the COVID-19 pandemic. Near the end of the fourth quarter of 2021, Canada began to experience a surge in new COVID-19 infections driven by the omicron variant. As a result, restaurants in certain provinces were mandated to limit their capacity in December 2021 and dining rooms in Ontario and Quebec were subsequently mandated to temporarily close in January 2022. In March 2022, most dining room restrictions were lifted.

The actions we have taken to strengthen our overall business during the COVID-19 pandemic (including streamlining menus, improving our digital platform, testing and introducing higher efficiency kitchen equipment, investing in our people and franchisees, as well as the strategic changes made to our brand portfolio mix and restaurant network) will also allow us to recover from the effects of the pandemic. The Company's restaurants are predominantly situated in non-urban locations and its recovery is not dependent on the recovery in urban city-center areas, where the effects of the COVID-19 pandemic were the most significant due to offices being closed and the reduction in business travel. Since the latest lifting of major restrictions in January, Management has been pleased with the return of Guests to restaurants.

We have and always will be committed to the health and safety of our guests, associates and franchise partners, and with the continuation of the Company's Social Safely program, we will continue to focus on delivering best in class experiences while operating safe and clean restaurants across all of our locations.

The effects of the global pandemic on supply chains will take time to stabilize. Also impacting supply chains is the current conflict in Europe, as Ukraine and Russia are key global suppliers of wheat, corn and vegetable oil. Multiple economic sectors reopening at once have also created a significant labour shortage in North America. Management expects that this labour shortage, combined with increases to minimum wage rates, may lead to short term higher labour costs due to increased overtime hours, retention pay programs and higher training costs as new employees are brought onboard. The recovery and industry wide labour shortages are also negatively impacting commodity food prices and other input and support costs until supply and demand dynamics normalize.

Management believes that Recipe is well positioned to continue to increase its market share through its omni-channel customer relationships and the continuation of its off-premise sales growth, expanded and enhanced patios (including many that will operate for three seasons). The actions taken throughout the COVID-19 disruption period have allowed the Company to generate positive Adjusted EBITDA⁽²⁾, positive operating cash flows and enhance the strength of its balance sheet, which will enable the Company to pursue strategic acquisitions and accelerate growth.

Focus on the short to medium term will include:

- Reopening restaurants that have been temporarily closed as a result of the COVID-19 pandemic and providing exceptional service, food, ambience and value that reinforces to customers what they have been missing, while focusing on being an employer of choice in Canada;
- Continue to practice amplified "Social Safely" safety protocols across all of our corporate and franchise locations to protect the health of our Guests, teammates and franchise partners. This includes comprehensive protocols related to food safety, strict standard operating procedures,

independent third party audits and our rigorous safety training programs;

- Continue to execute on our plans to support the expansion of our multi-channel offerings for post-COVID success. This includes the introduction of new restaurant layouts and designs with separate entrances to facilitate delivery, takeout and curb-side pick-up orders, tailored menus for dine-in and off-premise experiences, as well as the investments in our restaurants to comfortably extend outdoor patio season to three seasons;
- Actively negotiate early exit and permanent closure of under-performing restaurants that were identified at the end of 2019 to strengthen each brand portfolio and improve the long term Adjusted EBITDA⁽²⁾ contribution rates of both the Corporate and Franchise restaurant segments;
- Prepare Recipe's portfolio of brands for post-COVID success including accelerating the growth of brands like Burger's Priest, Fresh, Añejo and Blanco Cantina, pursuing complementary brand acquisitions, expanding New York Fries international franchising and rationalizing under-performing brands;
- Continue to expand the Company's off-premise business, including Ultimate Kitchens, for all brands with digital and mobile order applications and brand appropriate features including curb-side pick-up, preorder and pay, as well as other payment convenience options; and
- Mitigate cost increases for food and other inputs, as well as supply chain disruptions caused by the COVID-19 pandemic or the current conflict in Europe, through the Company's ability to leverage its significant sourcing capabilities.

The foregoing description of Recipe's outlook is based on management's current strategies and its assessment of the outlook for the business and the Canadian restaurant industry as a whole and may be considered to be forward-looking information for purposes of applicable Canadian securities legislation. Readers are cautioned that actual results may vary. See "Forward-Looking Information" and "Risks & Uncertainties" for a description of the risks and uncertainties that impact the Company's business and that could cause actual results to vary.

(2) This is a supplementary financial measure. Please refer to "Non-GAAP Measures - Supplementary Financial Measures" section of this press release for a definition of this measure.

Non-GAAP Measures

This press release makes reference to certain measures that are not calculated in accordance with IFRS. These measures are provided as additional information to complement IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. The Company uses the following non-GAAP measures to provide investors with supplemental measures on its operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures: "System Sales", "System Sales Growth", "E-Commerce System Sales", "SRS Growth", "Adjusted EBITDA", "Adjusted EBITDA Margin on System Sales" and "Free Cash Flow". The Company also believes that securities analysts, investors and other interested parties frequently use non-GAAP measures in the evaluation of issuers. The Company's management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets, and to determine components of management compensation. In addition, the Company believes that securities analysts, investors and other parties frequently use non-GAAP measures in the evaluation of issuers, including the Company.

National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure* ("NI 52-112") prescribes disclosure requirements that apply to certain non-IFRS measures known as "specified financial measures". This section of this Press Release provides a description and classification of the specified financial measures as contemplated by NI 52-112 that the Company uses in this press release.

Non-GAAP Financial Measures

A non-GAAP financial measure is a financial measure not disclosed in the Company's financial statements that depicts the Company's historical or expected future financial performance, financial positions or cash flow and, with respect to its composition, either excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measures disclosed in the Company's interim financial statements.

"Adjusted EBITDA" is a non-GAAP financial measure and is defined as Operating Income adjusted to remove (i) depreciation and amortization; (ii) amortization of deferred gain; (iii) impairment, net of reversals, of restaurant assets and lease receivables; (iv) restructuring and other; (v) net (gain) loss on early buyout/cancellation of equipment rental contracts; (vi) amortization of unearned conversion fees; (vii) net (gain) loss on disposal of property, plant and equipment and other assets; (viii) (gain) loss on settlement of lease liabilities; (ix) stock-based compensation; * transaction costs; (xi) the Company's proportionate share of equity accounted investment in joint ventures; (xii) Interest income on Partnership units and KRIF units; and (xiii) rent impact.

Adjusted EBITDA is used by management as a key measure to assess the performance of its Corporate, Franchise, Retail and Catering and Central segments and to make decisions on the allocation of resources. Management believes that investors use this measure to evaluate the health and profitability of each segment. This measure is not a standardized measure prescribed by IFRS and therefore is unlikely to be comparable to similar measures presented by other companies. The most directly comparable IFRS financial measure is Operating Income.

The following table provides reconciliations of Operating Income and Adjusted EBITDA:

	13 weeks ended	
	March 27, 2022	March 28, 2021
Operating Income	\$ 24.5	\$ 10.5
Adjustments		
Depreciation and amortization	23.0	24.4
Amortization of deferred gain	(0.5)	(0.4)
Transaction costs ⁽¹⁾	0.1	—
Impairment reversals	(2.8)	—
Restructuring and other	0.5	1.1
Loss on early buyout/cancellation of equipment rental contracts	0.5	0.3
Net gain on disposal of property, plant and equipment and other assets		
Net gain on settlement of lease liabilities	(0.3)	(0.1)
Stock based compensation	0.4	0.2
Proportionate share of joint venture results ⁽²⁾	—	0.4
Interest income on Partnership units and KRIF	2.9	1.8
Lease expenses for corporate restaurants and head office locations ⁽³⁾	(13.2)	(14.2)
Total adjustments	\$ 8.2	\$ 13.4
Adjusted EBITDA⁽⁴⁾	\$ 32.7	\$ 24.0

(1) Transaction costs represent acquisition related expenses.

(2) The Company has equity investments in certain restaurants at varying ownership interests. This adjustment represents the increase or decrease of the proportionate share of the income (loss) earned on the Company's investment in these joint ventures.

(3) In connection with the adoption of IFRS 16 *Leases*, lease expenses are now recorded in depreciation and interest expense. This adjustment includes lease expenses in Adjusted EBITDA as management views lease expense as an important component when evaluating the profitability of the business.

(4) Figures may not total due to rounding.

"Free Cash Flow" is a non-GAAP financial measure and is defined as Cash flows from operating activities less amounts incurred for (i) purchases of property, plant and equipment; (ii) interest paid on long-term debt and notes payable; (iii) net lease payments; (iv) proceeds on disposal of property, plant and equipment; (v) dividends paid on subordinate and multiple voting common shares; and (vi) shares repurchased under the Normal Course Issuer Bid ("NCIB").

Free Cash Flow is used by management to determine the Company's cash available for debt repayments, investments in new restaurant development and major renovations, other capital projects, to pay and increase dividends to shareholders and to repurchase the Company's subordinate voting shares. This measure is useful to investors to determine the Company's cash available for discretionary spending. This measure is not a standardized measure prescribed by IFRS and therefore is unlikely to be comparable to similar measures presented by other companies. The most directly comparable IFRS financial measure is Cash flows from operating activities.

The following table provides reconciliations from Cash flows from operating activities to Free Cash Flow:

(C\$ millions unless otherwise stated)	13 weeks ended	
	March 27, 2022	March 28, 2021
Cash flows from operating activities	\$ 5.3	\$ 21.4
Purchases of property, plant and equipment	(2.5)	(3.7)
Interest paid on long-term debt and notes payable	(18.7)	(20.0)
Net lease payments ⁽¹⁾ .	2.4	—
Proceeds on disposal of property, plant and equipment		
Free Cash Flow ⁽²⁾	\$ (20.0)	\$ (6.4)

(1) Net lease payments consist of lease liabilities paid, net of lease payments received.

(2) Figures may not total due to rounding.

Non-GAAP Ratios

A non-GAAP ratio is a financial measure disclosed in the form of a ratio, fraction, percentage or similar representation that is not disclosed in the Company's financial statements and that has a non-GAAP financial measure as one or more of its components.

"Adjusted EBITDA Margin on System Sales" is a non-GAAP ratio and is defined as Adjusted EBITDA divided by System Sales. Adjusted EBITDA Margin on System Sales is used by management to determine profitability. This measure is used by investors to determine the operating efficiency of the Company. This measure is not a standardized measure prescribed by IFRS and therefore is unlikely to be comparable to similar measures presented by other companies.

Supplementary Financial Measures

A supplementary financial measure is a financial measure that is not disclosed in the Company's consolidated financial statements, and is, or is intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flows.

The following are the supplementary financial measures used in this press release:

"System Sales" represents top-line sales from restaurant guests at both corporate owned and franchise restaurants including take-out and delivery customer orders. System Sales includes sales from both established restaurants as well as new restaurants. System Sales also includes sales received from its food processing and distribution division. System Sales is not the same as sales under IFRS as it includes the sales from franchise restaurants which are not recorded in the financial statements of the Company. Management believes System Sales provides meaningful information to investors regarding the size of Recipe's restaurant network, the total market share of the Company's brands sold in restaurant and grocery and the overall financial performance of its brands and restaurant owner base, which ultimately impacts Recipe's consolidated financial performance.

"System Sales Growth" is a metric used in the restaurant industry to compare System Sales over a certain period of time, such as a fiscal quarter, for the current period against System Sales in the same period in the previous year.

"SRS Growth" is a metric used in the restaurant industry to compare sales earned in established locations over a certain period of time, such as a fiscal quarter, for the current period against sales in the same period in the previous year. SRS Growth helps explain what portion of sales growth can be attributed to growth in established locations and what portion can be attributed to the opening of net new restaurants. Recipe defines SRS Growth as the percentage increase or decrease in sales during a period of restaurants open for at least 24 complete fiscal months relative to the sales of those restaurants during the same period in the prior year. Recipe's SRS Growth results excludes Milestone's restaurants which were sold in 2021, and sales from international operations of New York Fries.

"E-commerce System Sales" represent System Sales made through the Company's web and mobile ordering platforms for its brands or aggregators for delivery and pick up.

"Net Debt" is composed of current and long-term portions of long-term debt (excluding deferred financing fees) net of cash.

Forward-Looking Information

Certain statements in this press release may constitute "forward-looking information" or "forward-looking statements" within the meaning of applicable Canadian securities legislation. Such statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company or the industry in which they operate to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this press release, such statements use words such as "may", "will", "expect", "believe", "plan" and other similar terminology. These statements are based on opinions, assumptions and estimates made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as factors that the Company believes are appropriate and reasonable in the circumstances, but there are no assurance that such estimates and assumptions will prove to be correct. These statements also reflect management's current expectations regarding future events and operating performance and speak only as of the date of this press release. These forward-looking statements involve a number of risks and uncertainties, including those related to: (a) the Company's ability to maintain profitability and manage its growth including SRS Growth, System Sales Growth, increases in net income, Adjusted EBITDA, Adjusted EBITDA Margin on System Sales and Free Cash Flow; (b) competition in the industry in which the Company operates; (c) the general state of the economy; (d) integration of acquisitions by the Company; and (e) risk of future legal proceedings against the Company. These risk factors and others are discussed in detail under the heading "Risk Factors" in the Company's Annual Information Form dated March 22, 2022. New risk factors may arise from time to time and it is not possible for management of the Company to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance or achievements of the Company to be materially different from those contained in forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forwarding-looking statements as a prediction of actual results. Although the forward-looking statements contained in this press release are based upon what management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this press release. The Company does not undertake to update any forward-looking information contained herein except as required by applicable securities laws.

The financial performance of the Company is subject to a number of factors that affect the commercial food service industry generally and the full-service restaurant and limited-service restaurant segments of this industry in particular. The Canadian restaurant industry is intensely competitive with respect to price, value proposition, service, location and food quality. There are many well-established competitors, including those with greater financial and other resources than the Company. Competitors include national and regional chains, as well as numerous individually owned restaurants. Recently, competition has increased in the mid-price, full-service, casual dining segment of this industry in which many of the Company's restaurants operate. Some of the Company's competitors may have restaurant brands with longer operating histories or may be better established in markets where the Company's restaurants are located or may be located. If the Company is unable to successfully compete in the segments of the Canadian restaurant industry in which it operates, the financial condition and results of operations of the Company may be adversely affected.

The Canadian restaurant industry business is also affected by changes in demographic trends, traffic patterns, and the type, number, locations of competing restaurants and public health issues. In addition, factors such as inflation, increased food, labour and benefit costs, and the availability of experienced management and hourly employees may adversely affect the restaurant industry in general and the Company in particular. Food costs and availability are also influenced by factors and events outside of the jurisdictions the Company operates in, such as wars. Changing consumer preferences and discretionary spending patterns and factors affecting the availability of certain foodstuffs could force the Company to modify its restaurant content and menu and could result in a reduction of revenue. Even if the Company is able to successfully compete with other restaurant companies, it may be forced to make changes in one or more of its concepts in order to respond to changes in consumer tastes or dining patterns. If the Company changes a restaurant concept, it may lose additional customers who do not prefer the new concept and menu, and it may not be able to attract a sufficient new customer base to produce the revenue needed to make the restaurant profitable. Similarly, the Company may have different or additional competitors for its intended customers as a result of such a concept change and may not be able to successfully compete against such competitors. The Company's success also depends on numerous other factors affecting discretionary consumer spending, including general economic conditions, disposable consumer income, consumer confidence and consumer concerns over food safety, the genetic origin of food products, public health issues and related matters. Adverse changes in these factors could reduce guest traffic or impose practical limits on pricing, either of which could reduce revenue and operating income, which would adversely affect the Company.

The Company's unaudited condensed consolidated interim financial statements for the 13 weeks ended March 27, 2022 and Management's Discussion and Analysis are available under the Company's profile on

SEDAR at www.sedar.com.

Related Communications

Frank Hennessey, Chief Executive Officer and Ken Grondin, Chief Financial Officer, will hold a teleconference with the investment community to discuss 2022 first quarter results at 9:00 am Eastern Time on Thursday May 5, 2022.

To access the webcast, please visit https://produceredition.webcasts.com/starthere.jsp?ei=1540219&tp_key=94b33a1202. A replay will be available via the same URL until midnight on May 26, 2022.

To dial in by telephone, please call (416) 764-8609 or 1-888-390-0605, five to ten minutes prior to the start time. The Conference ID is 75784250. A telephone replay of the call will be available until midnight on May 26, 2022. To access the replay, please dial (416) 764-8677 or 1-888-390-0541 and enter passcode 784250#.

About Recipe

Founded in 1883, RECIPE Unlimited Corporation is Canada's largest full-service restaurant company. The Company franchises and/or operates some of the most recognized brands in the country including Swiss Chalet, Harvey's, St-Hubert, The Keg, Montana's, Kelseys, East Side Mario's, New York Fries, Fionn MacCool's, Bier Markt, The Landing Group of Restaurants, Original Joe's, State & Main, Elephant & Castle, The Burger's Priest, The Pickle Barrel, Marigolds & Onions, Blanco Cantina, Añejo, Fresh and Ultimate Kitchens.

RECIPE's iconic brands have established the organization as a nationally recognized franchisor of choice. As at March 27, 2022, Recipe had 21 brands and 1,251 restaurants, 82% of which are operated by franchisees and joint venture partners, operating in several countries including Canada, USA, Saudi Arabia, India and the UAE. RECIPE's shares trade on the Toronto Stock Exchange under the ticker symbol RECP. More information about the Company is available at www.recipeunlimited.com.

SOURCE Recipe Unlimited Corp.

For further information: Investor Relations: Recipe Unlimited Corp., Ken Grondin, (905) 760-2244, Chief Financial Officer, Email: kgrondin@recipeunlimited.com or investorrelations@recipeunlimited.com

<https://recipeunlimited.investorroom.com/2022-05-04-Recipe-Unlimited-reports-2022-first-quarter-results>